

Avon Pension Fund Committee Review		April 2022 to March 2023	On Target
Progress in Year			
<b>Governance</b>			
1	Governance Review	Conducted annual review of governance arrangements inc Terms of Reference, Governance Compliance Statement, roles & responsibilities. Terms of Reference approved by Council annually	
2	Committee Meeting Attendance	The Committee meets quarterly. Attendance at the meetings was 88% for the voting members and 25% for the non-voting members.	
3	Investment Panel Attendance	The Panel consists of up to six voting members from the Committee and meets at least quarterly ahead of Committee meetings. The Panel met formally four times during the year, with attendance of 79%.	
4	Risk Register	Reviewed quarterly by officers, committee and Pension Board	
5	Workplans	Reviewed quarterly by officers, committee and Pension Board	
6	Training	Achieved through committee reports, workshops, conference & seminar attendance, online training	
7	Annual Report	Work on the annual report including the final accounts is on course to be published by 1 December deadline	
8	Internal Audits	Internal audits carried out during the year were System Access - assurance level 2 (limited assurance) Cyber Security - assurance level 3 (reasonable assurance) & TPR Code of Practice 14 - Maintaining Contributions & Member Information gained an overall assurance of 4 (good)	
9	Local Pension Board	Pension Board on course with Work and training plans. All meetings held as planned. Minutes reviewed by Committee quarterly	
10	CIPFA Benchmarking	The CIPFA benchmarking data highlights the Fund's comparative performance in key cost areas. They demonstrate the Fund's lower cost performance when compared with national averages. Full details can be found in the Fund's annual report. Admin cost per FTE = £44,723 v national average of £70,591 Admin cost per member = £21.17 v national average of £35.10	
<b>Financial</b>			
11	Service Plan & Budget	Each year the Committee approves the Service Plan which sets out the Pension Fund's objectives for the next three years together with a three year budget to deliver the plan.	
12	Budget & cashflow monitoring	During the year to 31 March 2023, total administration costs (excluding advisory and investment management costs) were £3.4 million, 7% below the budget of £3.6 million. Annual investment management fees paid in the year were under budget at £18.1 million. The budget for governance costs was £3.6 million with actual costs just under budget at £3.4 million.	
13	Treasury management Policy	The Committee approves the Fund's Treasury Management Policy annually in March.	
<b>Investment management</b>			
14	Investment Strategy & Performance	Brunel now manage 86% (or £4.6 billion) of the Fund's assets. Within private markets, the Fund invests in Brunel's Secured Income, Renewable Infrastructure and Private Debt portfolios. At 31 March 2023, 56% of the Fund's combined commitments to these portfolios had been invested.	
15	Brunel Pension Partnership	In 2022-23 APF achieved annual fee savings of £8.6 million and cumulative fee savings to date are £20.3 million.	
16	Strategic Investment Review	Completed 3 yearly strategic review of asset allocation. Agreed a new allocation of 3% to a Local Impact Portfolio and to invest 50% of the equity assets in a Paris aligned passive fund.	
17	FRC Stewardship Code	As a signatory to the Financial Reporting Council's (FRC) UK Stewardship Code, the Fund submitted its second annual statement.	
18	Responsible Investing & Climate Emergency	On target to meet interim decarbonisation targets as achieved 6% y-o-y reduction in the absolute carbon emissions of the listed equities portfolio, equivalent to a 42% reduction versus 2020 baseline.  The intermediate climate targets to reduce the absolute emissions of the equity portfolio by 43% by 2025 and 69% by 2030 (versus 2020 baseline) will be revised during 2023. These provide clear milestones during the transition period for the Fund to achieve net zero.  Published our 2nd Task Force on Climate-Related Financial Disclosures (TCFD) statement demonstrating our commitment to reducing our carbon exposure  Implemented a climate solution for the Fund's liquidity portfolio by investing in Paris Aligned liquidity assets.	
<b>Funding Strategy</b>			
19	Annual Employer Update	Given the impact of the pandemic and rising costs on the scheme employers, affordability of pension costs was a key consideration in managing financial risk for both employers and the Fund at the 2022 valuation	
20	Valuation Results / Section 13	In the 2022 valuation the assets totalled £5,822m and liabilities were £6,060m. The funding level was 96%.	
21	Review of FSS	The Committee approved the latest Funding Strategy Statement in September 2022	
<b>Administration</b>			
22	Performance Indicators	While service levels materially improved during 2022, performance in aggregate remained well below required levels and just five out of nineteen service measures were completed within target timescales. Staff vacancy rates are running at c.13%	
23	Administration Strategy	The committee approved the budget for the revised service plan including new organisational structure, staff salary review and digital improvements to the Fund which will drive forward the required improvements to the administration.	
24	The Pension Regulator's Standards of data requirements	The Fund regularly tests its data against The Pension Regulator's (TPR) requirements. In the TPR Scheme Return submitted in September 2021 the Fund reported a data score of 95% for common data and 95% for scheme specific data	
<b>Legislation</b>			
25	Update on legislation	McCloud/Sargeant (Age discrimination) – McCloud regulations have been laid in effect from 8 September and will take effect from 1st October 2023. Further statutory guidance is awaited on the remedy but the team are ensuring the regulations are followed from the effective date  Pensions Dashboards Programme – Ongoing project in place with key officer resource to ensure the Fund's compliance with the onboarding of the PDP. The Regulations came into force in December 2022. The deadline for overall compliance to the Dashboards has been extended to 2026, with a separate staging timeline will be set out in the connection guidance.	